

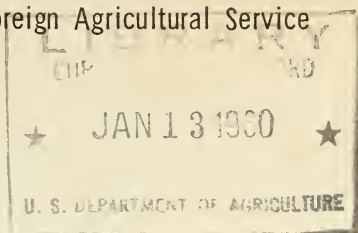
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U. S. DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service



CENTRAL AMERICA

**As a Market and
Competitor for
U.S. Agriculture**

Acknowledgments

Numerous officials in the six Central American Republics gave generously of their time and knowledge to give me a picture of the economies of their countries. To each of them I owe a debt of gratitude. Representatives of our own government in these countries were of invaluable assistance to me, and I have drawn heavily on their experience as well as on their reports and appraisals of the problems and prospects in the area. The agricultural attachés were particularly helpful and I want to express to them my thanks for their advice and counsel.

Foreword

In the spring of 1959 Mrs. Wylie traveled from Panama through Guatemala visiting the coastal agricultural regions as well as high-land sections of the six Republics. This report is a description and appraisal of the agricultural economy and trade of the area and the effect economic integration might have on the markets for U. S. products there. Although the report is given in summary fashion, it does include several appendix tables with certain background data that should be useful to other students working in this field.

Gustave Burmeister

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Central America As a Market and Competitor For U.S. Agriculture

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Introduction

The six countries of the Central American Isthmus are on the move: their 11 million people are looking for higher standards of living, for greater industrial development, for self-sufficiency in the basic necessities of life, and for a more important place in the family of nations. One of their principal resources--people--is increasing at the amazing rate of 3 percent every year. If this resource can be combined with land and capital and channeled into productive endeavor, it will make this stretch of tropical America a market for an expanding quantity and a widening variety of agricultural commodities. If its capacity to produce is used efficiently it may also compete effectively within its own area and intensify its competition in outside markets for such products as cotton. An expression of the awakening of the area to the possibilities of development is the cooperative effort to create a common market and an economic community that should hasten the realization of the goals and ambitions of these countries.

Market

By 1975 Central America is expected to have almost 16 million people. To maintain consumption at present levels would require about 40 percent more food and fiber. Present per capita use of the basic agricultural products is not high and for some commodities, particularly protein foods and fibers, it is low compared to the more industrialized countries of the world. In terms of calories the average intake varies between countries from a low of 2,200 per day in Nicaragua to a high of 2,800 in Costa Rica. Per capita incomes are low also. Costa Rica boasts the highest for the area, about \$325 per year. Industrial and agricultural output must rise on a per capita basis in absolute terms to enable the countries to stand still. The studies that have been made thus far, however, show that not only is an increase of this magnitude possible, but that coordination of the economies of the various countries can result in a use of resources that will give the 16 million people in 1975 a better living than the 11 million have today.

Central America now produces much of its own corn, rice, and beans--the staple items of the diet for the rural population as well as for many of the city folk. It imports most of its wheat and flour, sizable quantities of fats and oils, dairy and poultry products, and,

TABLE 1.--Population: Central America, 1950 census, estimate 1958 and forecast 1975

Country	1950 census				Estimate 1958	Forecast 1975
	Total	Rural	Economically active			
			Total	Agricultural		
Guatemala.....	Thousands 2,791	Percent 75.0	Thousands 968	Percent 68.1	Thousands 3,546	Thousands 5,111
El Salvador.....	1,857	63.5	662	63.2	2,434	3,196
Honduras.....	1,369	69.0	647	83.1	1,828	2,328
Nicaragua.....	1,057	65.1	330	67.7	1,378	1,931
Costa Rica.....	801	66.5	272	54.7	1,072	1,559
Total of 5.....	7,875	69.0	2,879	69.0	10,258	14,125
Panama.....	797	49.3	208	52.4	995	1,511
Total of 6.....	8,672	67.2	3,087	67.9	11,253	15,636

United Nations.

TABLE 2.--Food: Per capita consumption, Central America, calories per day, 1955

Country	Grains & pulses	Fruits & vegetables	Sugar & cacao	Fats & oils	Meat, dairy & poultry	Total
	Calories	Calories	Calories	Calories	Calories	Calories
Costa Rica.....	1,261	336	571	107	556	2,831
El Salvador.....	1,363	410	228	111	187	2,299
Guatemala.....	1,685	277	341	95	162	2,560
Honduras.....	1,305	541	252	61	229	2,388
Nicaragua.....	1,131	212	468	103	286	2,200
Panama.....	1,327	486	259	81	196	2,349

for the city trade, processed fruits and vegetables. The annual value of agricultural imports into the six countries averaged \$73 million in 1954-56. Of this amount a large proportion came from the United States, which is by far the principal trading partner for agricultural as well as industrial commodities.

Although domestic agricultural output will expand greatly and probably could furnish most if not all of the food and fiber needed, except wheat, by 1975, it is likely that 1975 will see larger rather than smaller imports of agricultural items. Over the short pull, however, restrictions on imports from outside the area may be intensified to encourage production at home, even at the expense of a reduction in per capita consumption of some items. For wheat, however, imports will be needed from outside the area in increasing quantities to supply an ever larger population and to raise the per capita level of wheat consumption as a bigger proportion of the people share in industrial development and higher living standards.

Since the whole of Central America lies in the Tropical Zone, it produces many items complementary to those of the United States. This country no doubt will continue to buy Central America's coffee, bananas, cacao, and other tropical staples and delicacies, thus providing dollars to pay for imports of goods from the United States. Wheat from its northern neighbor should continue to be one of these imports. As Central America comes to maturity it probably will follow the pattern of other industrialized nations and exchange a variety of goods in the international markets of the world. It may find such exchange more profitable than too-rigid attention to the goal of self-sufficiency.

Competitor

Central America will compete with the United States for sale of agricultural products in the integrated area, and this competition will be particularly severe in the next few years. It will concentrate on fats and oils, dairy and poultry products, and the staple foods--corn, rice, and beans. Insofar as competition in third markets is concerned, the only product that has proved important thus far is cotton, although sesame seed and oil and cottonseed oil exports are growing.

Output of cotton in Central America has grown from insignificance before World War II to more than half a million bales in 1958. In 1957 it provided 2 percent of total world cotton exports. In some areas output has expanded at the expense of food crops; in others new lands have come into production. Conditions in several regions appear excellent for this crop and yields per acre are high. The low prices of the past season may result in some curtailment of planting, but in all probability Central American production will continue its upward trend over the next decade.

With more people and an anticipated rise in per capita income, however, cotton consumption in Central America no doubt will expand rapidly. During the past 20 years cotton consumption in the underdeveloped countries has doubled, whereas that in Western Europe, the United States, and Japan has gone up only 10 percent. Should this trend continue, use of cotton in Central America may absorb an increasing proportion as well as a greater total quantity of the area's output, providing less rather than more competition with U. S. cotton in world markets.

Historic Patterns

Over the years Central America has sold agricultural primary products and purchased manufactured articles in exchange. Almost 95 percent of the total exports are agricultural, largely coffee, bananas, cacao, and cotton, whereas only 15 percent of the imports are of agricultural products. The principal minerals entering trade are gold from Nicaragua, silver from Honduras, and lead from Guatemala. Other deposits are claimed, including petroleum in Guatemala and Honduras, but so far they are little developed. Lumber and forest products are exported from the area, but manufactured articles, largely of consumer goods, move only among the countries of the area. El Salvador is the leader in the industrial field.

El Salvador is also the smallest of the Central American countries, and it is the most densely populated. It is the most intensively cultivated too, and in most years the value of its exports exceeds that of any of the other six countries (Appendix, table 7). However, it is the second largest importer, and about three-eighths of its total agricultural needs come from its neighbors in Central America.

Panama exports less merchandise than the others do, but makes up its trade deficit through tourist expenditures and receipts from the Canal Zone. Guatemala, with the largest population, is also the biggest importer (Appendix, table 8).

Even though agricultural imports are far less important than agricultural exports in Central America, they are nonetheless a significant contribution to the needs of the area, which constitutes an important market for several products, notably wheat and flour.

Central America's Resources

The six Republics of Central America have a land area of about 200,000 square miles, roughly equivalent in size to the States of North Carolina, South Carolina, Georgia, and Florida. They stretch out from the border of Mexico in a southeasterly direction for a distance of about 1,300 miles to the border of Colombia to join the two continents in a Western Hemisphere unit. Nicaragua is the largest country, and Guatemala is its next largest neighbor. El Salvador is the only one that does not have a coastline on both oceans.

Mountain chains from Mexico extend through the entire area. The rugged terrain levels into plateaus in El Salvador, Guatemala, and Costa Rica, providing land suited to ready cultivation. In Nicaragua and Honduras, on the other hand, there is little level land at high elevations. The mountains determine temperature range, too, since all of Central America lies in the Tropics. The coastal plains are hot the year round, whereas the temperature in the capital cities of Guatemala, Costa Rica, and Honduras, all of which are located in the mountains, is pleasant at all seasons.

Rainfall is heavy on the Caribbean coastal plain throughout most of the year. In the mountains and on the Pacific littoral, wet and dry seasons are pronounced. Roughly the dry season lasts from November through April, varying slightly from one area to the next. This limits the growing season for dryland farming to May through October. Practically no rain falls during the dry season, but the fogs and the dew in the higher elevations help these regions to conserve moisture much better than can the lowlands. In some years the rains are slow in coming, and the unirrigated lowlands on the Pacific side cannot support their population and their livestock.

TABLE 3.--Land use: Central America, last agricultural census

Country	Total area of country		Area registered in census		Area cultivated ¹	Pastures	Woods	Other
	Square miles	1,000 acres	1,000 acres	Percent of total				
Nicaragua ²	57,143	36,572	5,852	16.0	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Honduras ²	43,277	27,697	6,196	22.4	1,394	1,571	(³)	2,887
Guatemala ⁴	42,042	26,907	9,177	34.1	2,214	2,033	1,797	152
Costa Rica ⁴	19,695	12,605	4,477	35.5	3,638	1,437	3,288	814
El Salvador ⁴	8,165	5,226	3,781	72.3	878	1,545	1,952	102
Total of 5	170,258	109,007	29,483	27.0	1,345	1,740	508	188
Panama	28,753	18,402	2,864	15.6	9,469	8,326	7,545	4,143
Total of 6	199,011	127,409	32,347	25.4	1,112	1,364	(³)	388
					10,581	9,690	7,545	4,531

¹Permanent cultivation, annual crops, and fallow. ²1952 Census. ³Not available. ⁴1950 Census.

U. S. Dept. of Commerce, Investment in Central America, United Nations, Compendio Estadístico Centroamericano.

Rich, fertile soils can be found on the Pacific side, however, and with irrigation this area could greatly expand agricultural output. Soils on the Caribbean side, on the other hand, are generally of poorer quality. This fact, together with the heat and humidity, has limited agricultural development. There is, however, considerable exploitation of forest products, including mahogany and other woods, and cultivation of cacao, bananas, and other tropical products.

By far the greatest number of Central America's people are in the highlands on the Pacific side of the Continental Divide. Panama is an exception. There, an increasing share of the country's people are concentrating in the cities at either end of the Canal. The peoples of all six countries are thinking more and more about ways and means of improving their lot. This is reflected in policies of their governments. Planning committees, development institutes, or other administrative organizations, already established in most countries, are building food storage and processing facilities, pasteurizing and feed mixing plants, and modern slaughterhouses, and are undertaking other agricultural and industrial projects.

Central America recognizes also that progress cannot be rapid unless there are roads and other means of communication from country to city and from country to country. The Inter-American Highway is perhaps the most important transportation link. It is now possible to drive from the Guatemalan border to San Isidro, Costa Rica, in the dry season. Goods move by truck along this stretch of road. The link between Costa Rica and Panama is not yet passable by commercial vehicles, but estimates indicate that an all-weather road will be complete in 1961. Paving may be delayed beyond this date. El Salvador has the best system of roads; it is possible to travel to most parts of this small country by car. It is in contrast to Honduras, which has few roads, and to the other Republics, which have inadequate transportation to many points within their borders.

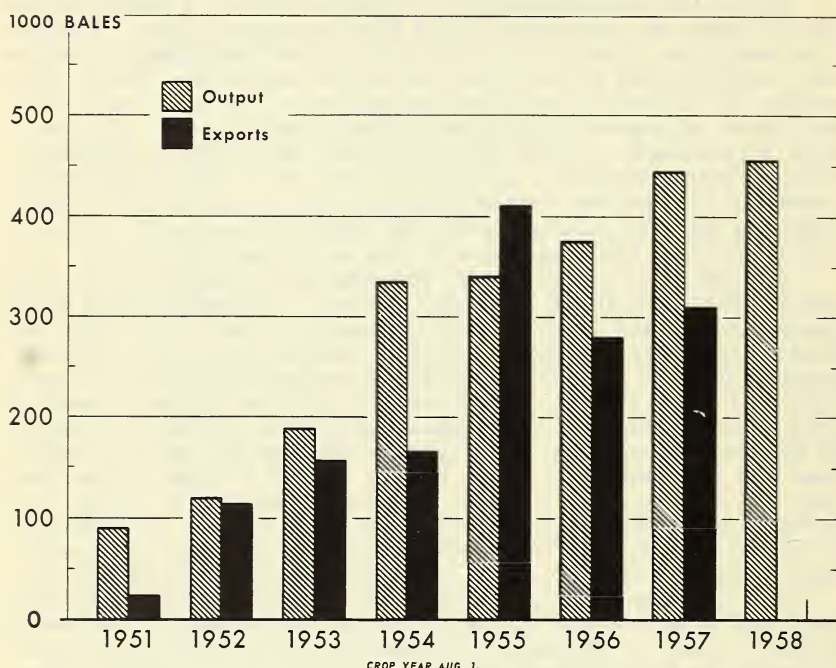
The countries are connected by air service, which is becoming more and more useful in moving goods as well as people. Sea-borne traffic is heavy, too, although facilities at the ports are not sufficient to handle the cargo expeditiously. Railroads are, for the most part, national in character and connect the producing regions with the sea. Tegucigalpa is the only capital that does not have a rail connection to the coast.

Export Products

Central America exports almost a half billion dollars' worth of goods--largely agricultural products. The United States is the best market, taking well over half the total in 1957. The proportion is declining, however, and is much less than the 85 percent taken by the United States during the war years. This change in percentage taken by the United States is attributed partly to the sharp rise in production and exports of cotton, a product that does not find a market in the United States, and partly to the return of Europe as an important market for Central American coffee.

Complementary crops.--Coffee is by far the principal cash crop, accounting for 57 percent of all export value in 1957. It is exported from all countries and makes up the bulk of the trade for El Salvador and Guatemala. The 6 countries produced almost 4.5 million bags of coffee in 1958-59, contributed nearly 8 percent of all exportable coffee, and about 30 percent of the so-called mild

Central American Cotton Production and Exports



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coffee. These coffees are of excellent quality and command premium prices on the world market.

The principal coffee areas are on the Pacific mountain slopes in El Salvador and Guatemala, the central plateau of Costa Rica, and the highland area of Nicaragua where the volcanic soils and mild temperatures provide excellent growing conditions.

In El Salvador, where coffee exports make up 79 percent of total export value (Appendix, tables 9-14) and about 40 percent of total agricultural output, the large coffee producers (representing about 4 percent of the total) account for three-quarters of total production. The western part of the country is the principal coffee area, with the Department of Santa Ana accounting for 30 percent of the total output. In Guatemala, too, where coffee exports are 84 percent of the total, most of the production is from a relatively small number of farms. Here coffee is produced in most of the Departments.

Production in Nicaragua is concentrated in a small section south of Managua, which accounts for two-thirds of total output, and in the mountainous central Provinces. The coffee area in Costa Rica is also limited, with most of the trees in a 10-mile circle around San José on the central plateau. Here a great many small growers have

coffee farms, but even so an estimated 5 percent of the growers account for about half of the total number of trees. Coffee production in Honduras is of relatively recent origin, although production there has doubled in the past decade. Coffee farms are usually small and are scattered throughout the mountainous portion of the country. Coffee is now beginning to rival bananas as an earner of foreign exchange.

Except in El Salvador where the land area is limited, there is room for expanded plantings on land suited to coffee growing. In El Salvador any increase in output must come primarily from higher yields. All of the countries have trade or other associations designed to improve quality and yields and protect the interests of the coffee growers and exporters. These associations are members of the Federación Cafetalera Centro America - México - El Caribe (FEDECAME) which represents them in the Pan-American Coffee Bureau. In addition to the Central American producing countries, Mexico, Cuba, Haiti, and the Dominican Republic are members of this federation.

The area probably will continue to produce record or near-record coffee crops. Exports, however, have been restricted under the terms of the Mexico Convention held in October 1957 and the agreement reached in Washington in the fall of 1958.

A new agreement reached in Washington, D.C., in September 1959 provides that exports in 1959-60 will be limited to 90 percent of the highest year during the last 10 years, or a maximum figure of 88 percent of the exportable production, this latter figure being only applicable to countries exporting less than 2 million bags per year. For Central America this would amount to about 3.6 million bags, or 9.2 percent below actual exports in 1957-58.

The United States is by far the principal market for coffee, but Western Europe especially Germany and the Netherlands is again becoming important. For example, the United States takes about half the total Central American exports of coffee, Germany 15 to 20 percent, and the Netherlands 6 to 7 percent. Germany is the principal outlet for Costa Rica's coffee, taking twice as much as does the United States. Since all of the countries grow coffee, there is little trade among them in this product, which will continue to go to outside markets in the years ahead and probably will continue to furnish the largest share of the foreign exchange needed for imports.

Bananas have traditionally been the area's second export, and they still account for 24 percent of total export value. The Banana Republics, as the four exporting countries are often called, have long provided the bulk of the bananas entering foreign commerce. Until the spectacular rise of Ecuador as the leading world exporter a few years back, Honduras occupied first place. Honduras, Panama, Guatemala, and Costa Rica together exported 54 million stems (50-lb. each) or 36 percent of total world exports in 1957, whereas in 1950, they exported almost half the world total. The United States is the predominant market, followed by Canada.

Although bananas are grown throughout the region as a food crop, commercial production is concentrated on the coasts of four countries. They are exported almost exclusively by two large fruit companies, which also have extensive plantations to produce the fruit. In early years the Caribbean coast was the banana center, but Panama disease destroyed large acreages of plants, and in Costa Rica, Panama, and Guatemala the area of largest output is on the

Pacific coast. In addition to Panama disease, bananas are afflicted with Sigatoka disease, which must be kept under control by expensive spraying. Blow-downs take a heavy toll in many years and recently labor troubles and policy conflicts between the industry and the governments of the countries concerned have threatened to further curtail operations. Soils and climate--except for heavy winds--are favorable for banana culture and production and marketing techniques assure a good product. The favorable factors may outweigh the difficulties in appraising the long-run prospects for continued exports.

Cacao is an important export crop for Costa Rica and Panama, and recently is being grown in increasing quantities in other areas of Central America. Total production now, however, is less than half the prewar average. Cacao is grown on both the Caribbean and Pacific Coasts. One of the large fruit companies owns part of the commercial plantings and handles the export, although numerous independent small farmers cultivate cacao. The quality of the product is good and commands premium prices in the market. Total exports rose from 12 million to 20 million pounds from 1950 to 1957, although this still represented only 1 percent of world exports. Most of the cacao was exported to the United States.

Other complementary exports include abaca and other fibers and small quantities of essential oils. Abaca production was stimulated during the World War II period to provide a source of this fiber close to the U. S. market. A large U. S. company handled production and exports under contract with the U. S. Government. Production expanded rapidly in Panama, Costa Rica, Guatemala, and Honduras to meet this need. Production reached a peak in 1948 of 40.6 million pounds.

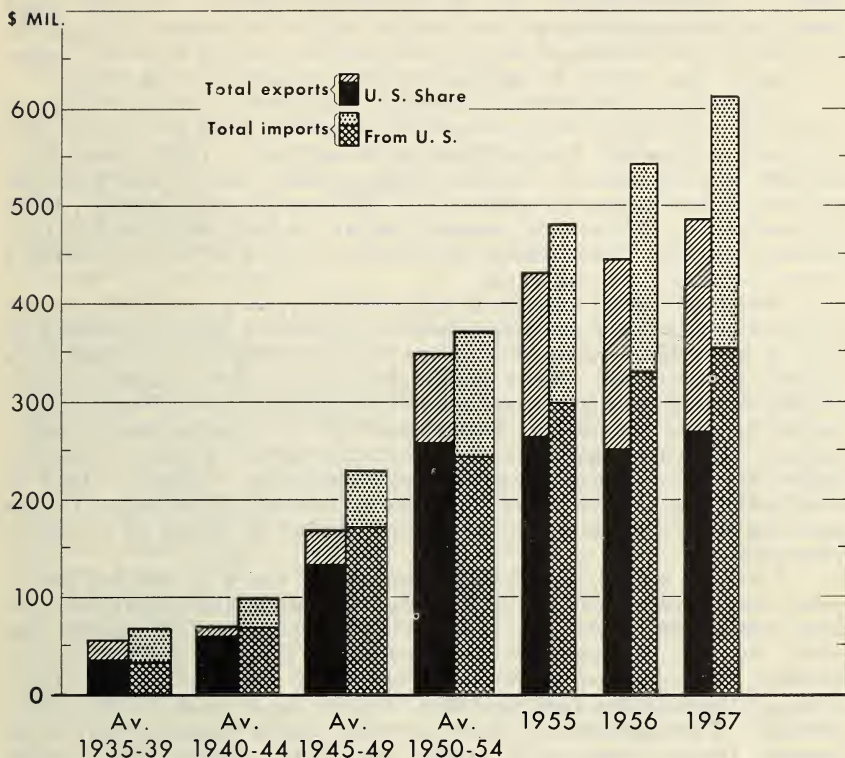
After the end of the war, supplies again became available from other sources in the world and total demand declined. The contract with the U. S. Government has been liquidated in Honduras and Panama, and liquidation is expected soon in Costa Rica and Guatemala. The market for Central American fiber has declined sharply in recent years. By 1958, exports had fallen to 9.4 million pounds.

Guatemala has made rapid strides in developing essential oils for export, although the relative importance of these oils is slight compared with coffee and bananas. Citronella and lemongrass are the principal oils exported. They are handled largely by a producer's cooperative, Asociación de Productores de Aceites Esenciales.

Competitive crops.--Cotton is by far the outstanding competitor from Central America with the product of U. S. farms on world markets. Although Central America still furnishes only 2 percent of total world exports, output there has expanded rapidly during the past 10 years, reaching a total in 1958-59 of 455,000 bales. The comparable prewar figure was only 12,000 bales. Cotton grows in all of the countries except Panama. Nicaragua and El Salvador are the leading producers; Guatemala is third; and Honduras now accounts for 19,000 bales of the total, rising from a negligible output in 1950-54 (Appendix, table 15). Lower prices will result in less area planted to cotton in 1959-60, but the best land will be retained and more efficient practices may produce only a slight reduction in the total harvest.

The Governments of both Guatemala and El Salvador license farmers to plant cotton. This process, originally started to control the quality of the product, can also be used to control the number of

Central American Trade Total and U. S. Share



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acres planted. Nicaragua has no official regulations governing the production of agricultural commodities, but reports indicate that next season cotton growers may not be eligible for a cotton production loan unless they agree to plant a definite acreage of food crops.

Suitable land is available in Central America for greatly expanding cotton acreage, but this expansion probably will await a more favorable market. Western Europe and Japan have provided the principal outlet for Central America's cotton, but the slowly rising textile industry within the area will eventually take more and more cotton to furnish the needs of a bigger population.

The trend toward processing their own agricultural commodities has led several countries to crush their own cottonseed oil and convert it into edible oil and shortening. El Salvador is already exporting it to other countries in Central America. Sesameseed is being grown, processed, and exported by Nicaragua. And Guatemala and El Salvador are planting sesame and hope some day soon to enter the export market.

Products for Home Use

Crops.--Corn, rice, beans, and sugar are the staple articles of diet, with corn the most important cereal in the northern part of the area and rice in the southern. The region as a whole is just about self-sufficient in these four basics except in years of poor growing weather, when corn, beans, or rice are imported from the United States and other sources. For the most part, however, the individual countries either produce their own or import from their neighbors. Nicaragua and Honduras usually produce an excess of corn and beans and supply the deficit El Salvador generally has in these items.

Output of corn and beans shows a rising trend, but will need to expand more rapidly to meet demand. Prewar corn production was 31.5 million bushels and had gone to 44 million in 1958. Bean production, estimated at 1.5 million bags prewar, was up to 2.9 million in 1958. Rice, however, more than tripled in the same period, from 173 million to 575 million pounds. Sugar production of 60,000 tons prewar increased five times, to 300,000 tons in 1958, to provide a slight surplus from the area.

Guatemala is the principal corn producer, followed by Honduras; and Panama is the most important rice growing country, having an output more than twice that of its nearest competitor, Costa Rica (Appendix, table 15). Bean production, on the other hand, is fairly evenly divided among the four northern countries, with Panama falling far short of the others. Guatemala and El Salvador lead in sugar output. Noncentrifugal sugar, largely in the form of panela--a brown-sugar cake--is important in several countries. Suitable land is available--not always in parts of the countries where sugar is now growing--for expansion to meet the population needs of 10 to 20 years hence.

A recent study¹/shows that demand for three of the key products--corn, rice, and beans--will rise with population over the next 6 or 7 years, and that Central America's production will match that rise. By 1966, for example, corn output is forecast at 51.8 million bushels. The greater part of the corn will still be used for food, although demand for feed probably will increase to about 10 million bushels. The expansion in corn and rice output probably will come largely from increase in yields and that in beans from larger acreages sown. The trade in rice may be small, with each country producing its own needs. Guatemala and Costa Rica probably would supply their own needs for both corn and beans, but there would be increased trade in these items between El Salvador on the importing side and Honduras and Nicaragua on the exporting side.

All of the countries grow fruits and vegetables for their own use, although there is a wide disparity in the availability of these for consumption from place to place within the countries. El Salvador, short of many foods, imports considerable quantities of fruits and vegetables from neighboring Guatemala. Bananas are plentiful for home use in all countries and, in some, yuca provides calories for a large number of persons. Still, the four basic foods--corn, rice, beans, and sugar--make up 60 percent of all the calories consumed in the six Republics.

¹El Abastecimiento de Granos en Centroamérica y Panama, E/CN.12/CCE/119 April 14, 1958, prepared by the Secretariat of the Economic Commission for Latin America.

Livestock.-- Central America is looking forward to becoming a livestock center and to expanding its exports of meat to outside the area. It has always been able to supply most of its own demand for beef, but has imported some processed meats and has been a significant importer of dairy products and animal fats. According to the 1950 Census, there were more than 5 million head of cattle in the 6 Republics and 1.9 million hogs. By 1958 cattle numbers had risen to 6.4 million and hog numbers to 2.1 million. Nicaragua and Guatemala have about the same number of cattle, followed by Honduras; Honduras has by far the greatest number of hogs.

There is considerable trade within the area, not only in cattle, but also in livestock products. Honduras exports cattle to Guatemala and El Salvador and hogs, milk products, and cheese to El Salvador; El Salvador and Nicaragua export cattle to Guatemala. Costa Rica and Nicaragua export outside the region and all countries import some meat and milk from outside. In some cases, trade reflects lack of transportation or processing or both within a country as well as need for net imports.

A recent study² indicates that Central America can supply its own livestock and products, but that planning and careful study are necessary to utilize its resources efficiently to obtain this goal. It states that all countries have sufficient pastures for an efficient livestock industry and that all but El Salvador can expand them; that all countries except El Salvador can improve production per animal to a point of satisfying per capita consumption of future population to the year 1980; that Honduras, Nicaragua, and Costa Rica can increase output per capita to recommended dietary levels and could export cattle; but that even though El Salvador and Guatemala can expand output, they cannot provide enough to meet recommended dietary levels for an increasing population.

In all countries except El Salvador there is widespread interest in developing the livestock industry, partly to enable the countries to become less dependent on one or two export crops. And in most countries some improvement is being made, both in pastures and upgrading of the cattle population. Several countries have meat inspection and slaughter regulations like those of the United States and are thus able to send meat to the U. S. market. Central America does not have foot-and-mouth disease and thus is not barred from participating in the U. S. market. The countries that have approved regulations are: Costa Rica, Honduras, Nicaragua, and Panama.

Market for U.S. Agriculture

U. S. Exports

The total dollar value of U.S. exports to Central America reached a peak of \$344 million in 1957, having gone up steadily from a pre-war average of only \$41 million. Exports dropped in 1958 but still amounted to \$321 million. Agricultural products amounted to almost 12 percent of the total trade, or about \$38 million, in 1958, which was more than five times the prewar value of \$7 million. The peak in agricultural exports came in 1955 when the United States shipped almost \$44 million worth of goods.

²Informe Provisional Sobre el Mercado Ganadero y de Productos Ganaderos en Centroamericana, Lawrence W. Van Meir, FAO expert on Programa de Integración Económica Centroamericana. April 1957.

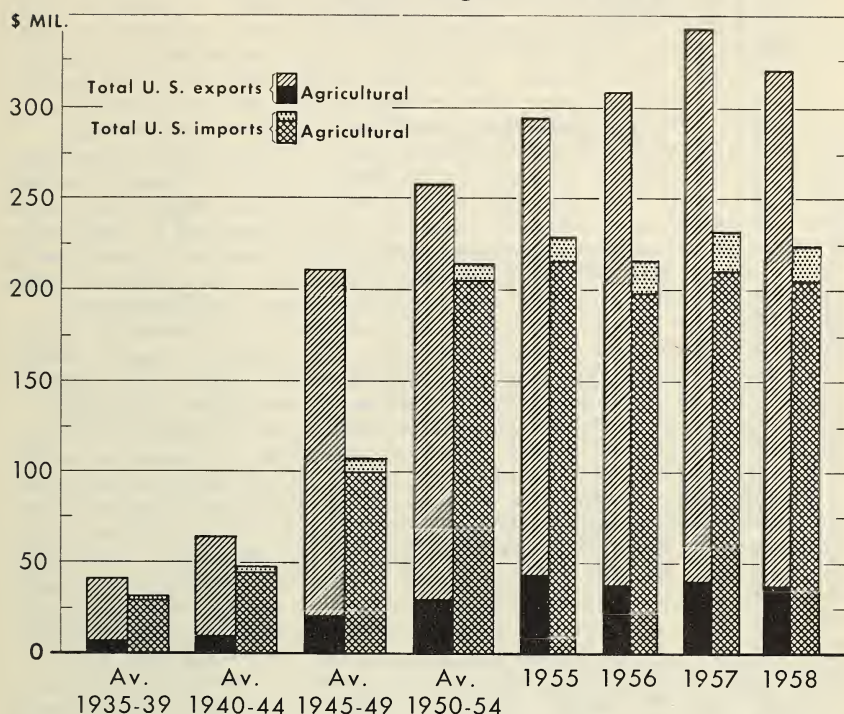
TABLE 4.--Livestock: Number in Central America by type, last census date, and 1958 estimate

Country	Cattle		Hogs		Sheep		Goats ¹	
	Census	1958	Census	1958	Census	1958	Census	1956-57
Guatemala ²	1,000 head 919	1,000 head 1,333	1,000 head 424	1,000 head 403	1,000 head 716	1,000 head 840	1,000 head 79	1,000 head 84
El Salvador ²	810	995	389	350	6	5	19	10
Honduras ³	1,147	1,120	525	660	7	12	37	(⁴)
Nicaragua ³	1,182	1,330	234	335	(⁴)	15	(⁴)	(⁴)
Costa Rica	608	981	115	132	2	2	(⁴)	(⁴)
Total 5	4,666	5,759	1,687	1,880	731	874	135	--
Panama	570	629	182	223	--	--	3	(⁴)
Total 6	5,236	6,383	1,869	2,103	731	874	138	--

¹Number of goats from United Nations, F.A.O. 1958 Production Yearbook, Vol. 12. ²Census 1950. ³Census 1952.

⁴Not available.

U. S. -Central American Trade Total and Agricultural



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Of the six countries, Panama is usually our best agricultural market although in 1955 and 1956 Guatemala jumped into first place from its traditional place as the second market (Appendix, table 16). Both of these countries have currencies on a par with the U. S. dollar. The whole area has close economic ties with its northern neighbor and experiences little trade difficulties with it. The only two countries with any degree of exchange controls are Costa Rica and Nicaragua, but these controls have caused little disturbance to trade with the United States.

Traditionally the principal products the United States sends to Central America are wheat flour, fats and oils, dairy products, and processed fruits and vegetables. Breeding stock, eggs, tobacco, and meat sales (principally pork) are significant, and a variety of processed foods make up the bulk of the remainder.

Wheat and flour alone make up from one-quarter to one-third of the value of U.S. exports to the area and probably will continue to loom large in the trade. Guatemala is the only country in the area that grows wheat to any extent and output there is rising slowly. In 1958, production reached 766,000 bushels. Although production

TABLE 5.--U. S. agricultural exports: Value to Central America by commodity and by country, 1958

Commodity	El Salvador	Guatemala	Nicaragua	Honduras	Costa Rica	Panama	Total
	<u>Mill. dol.</u>	<u>Mill. dol.</u>	<u>Mill. dol.</u>	<u>Mill. dol.</u>	<u>Mill. dol.</u>	<u>Mill. dol.</u>	<u>Mill. dol.</u>
Dairy products.....	0.4	0.7	0.3	0.2	0.2	0.6	2.4
Meats.....	.1	.2	--	.2	--	1.0	1.5
Fats and oils.....	.6	1.7	.3	.1	.5	1.7	4.9
Fruits and preparations.....	.3	.4	.2	.3	.2	1.2	2.6
Wheat and wheat flour.....	1.9	3.4	1.0	1.1	1.8	1.4	10.6
Other Grains and preparations.....	.7	1.1	.8	1.1	.5	.8	5.0
Feeds and fodders ¹1	.3	--	--	.7	.2	1.3
Tobacco leaf.....	.3	.5	.4	.1	.2	.3	1.7
Vegetables and preparations.....	.4	.5	.2	.3	.2	1.6	3.2
Food for Relief or Charity.....	--	--	--	.3	.1	.4	.8
Other.....	.5	.7	.6	.4	.6	.9	3.7
Total.....	5.3	9.5	3.8	4.1	5.0	10.1	37.8

¹Includes mixed poultry feeds.

might be increased somewhat more, prospects are for continued imports to supply the bulk of local consumption. The wheat is grown in the highlands by small farmers and is largely soft wheat. Milling capacity was expanded greatly in 1959 by the opening of a new mill in Guatemala City.

Output in Honduras is less than one-tenth that of Guatemala. There is little likelihood of any material increase in wheat production in Honduras. The small quantities of soft wheat now supplied come principally from the highland areas of Ocotepeque Province. Output in El Salvador is not expected to increase much beyond its present level of 3,000 bushels annually. And the other three countries do not grow any wheat at all.

On the other hand, consumption of wheat in Central America is expected to grow rapidly over the next decade. Experience has shown that as levels of income rise in the less developed areas of the world, per capita use of wheat follows this upward trend. A large proportion of the population in Central America is in the low-income group, where increases in income result in commensurate rises in wheat consumption. Imports are expected to rise with consumption.

Traditionally Central America has imported more flour than wheat. However, the trend toward industrialization is resulting in establishment of more mills and, for most of the countries, wheat probably will replace flour as the principal agricultural import.

With the exception of wheat, Central America is striving to expand its output of the farm products the United States sends there and to become self-sufficient in them. Import duties and restrictions are rising to protect domestic industry, and several countries are offering incentives to encourage production, particularly of dairy products and fats and oils. Costa Rica, for example, recently announced higher duties on hog and vegetable lard to be applied progressively over the next 2 years, and El Salvador, through In-slituto Salvadoreño de la Producción (INSAFOP), makes loans and provides other assistance to the dairy industry.

Per capita consumption of fats was less than 10 pounds a year in all the countries in 1955 and in Honduras, which consumed the least, it was less than 6 pounds. There seems to be some taste preference for lard, but desire for self-sufficiency is stimulating greater use of vegetable fats and oils. With the rapid rise in cotton output over the past several years, cottonseed is becoming an increasingly important source of oil, and the expanded acreages of the African oil palms which have been growing in this area for the last two decades are providing more and more raw material each year for vegetable shortening and the soap industry. Production of vegetable fats and oils will no doubt continue to expand, but output of animal fats is expected to remain relatively constant over the next few years.

Guatemala is an important producer of animal fats. In 1958 output of lard reached about 7 million pounds and tallow 6.5 million. These quantities did not satisfy domestic needs, however, and 12 million pounds of lard and 13 million pounds of tallow were imported. The United States is by far the principal supplier of tallow, but lost first place in the lard market to the Netherlands during the past 2 years; the latter supplied considerably more than half the total in 1958. The decline in U. S. trade is attributed to stiff price competition. Tallow imports may be expected to continue large, but new higher duties on lard may reduce imports

considerably below present levels. The new Guatemalan tariff schedule of January 1959 raised the 7-cent-per-kilo duty to 15 cents plus 10 percent ad valorem. After 2 years the duty will be raised again to 20 cents a kilo and at the beginning of the fourth year to 25 cents. Ad valorem assessments will remain at 10 percent.

Cottonseed is Guatemala's principal oilseed, followed by sesame. Supplies of cottonseed for crushing in 1959 exceeded 6 million pounds but may be somewhat lower in 1960 with the expected reduction in cotton acreage. Many thousands of tons of Corozo nuts are available in Guatemala, but only about 7 million pounds are harvested each year.

El Salvador produces from two-thirds to three-quarters of its lard needs, estimated to be about 18 million pounds. Imports are largely from the United States, which also supplies practically all the tallow imports. Cottonseed is the principal oilseed used in the domestic production of vegetable shortening and cooking oil. Consumption of vegetable fats and oils is rising because of the local availability of cottonseed and sesame, although sesame has declined in importance in recent years in competition with the lower priced cottonseed. El Salvador is a net exporter of vegetable oils, although it does import some shortening from Costa Rica and Honduras and a little cottonseed and cottonseed oil from Guatemala.

Costa Rica imports in the neighborhood of 10.5 million pounds of lard, which furnished about 80 percent of its lard needs. As in Guatemala, imports formerly were almost all from the United States, but in the past 2 years the Netherlands has replaced the United States as the principal source of supply. Costa Rica has a growing vegetable oil industry, based almost entirely on the African oil palm, which is grown on the Pacific Coast on land formerly in bananas. Acreages are increasing and suitable areas are available for greatly expanded output if demand rises as expected. The total oil palm area in 1959 was just under 12,000 acres.

Both Nicaragua and Honduras are practically self-sufficient in fats and oils, although they import some lard. Panama, on the other hand, continues to import sizable quantities of fats, and the United States supplies a large share.

Although the region imports milk and milk products, all the countries are encouraging development of the dairy industry with favorable results. Milk production in the six countries rose 28 percent between 1952-54 and 1958. Each country hopes to become self-sufficient, but demand is increasing too and imports into several of the countries continue to mount. For example, imports of practically all dairy products are increasing in El Salvador. The United States, which formerly was the principal supplier, is meeting stiff competition from the Netherlands and Denmark. Price and quality are the two key factors in this market. In the Costa Rican market, the United States was a poor third supplier in 1958 following the Netherlands and Denmark. Imports there are being maintained in spite of expanding dairy production. An increasing number of farmers own high-quality dairy herds and use improved management and feeding practices. Both El Salvador and Costa Rica have dairy producer cooperatives that assist in marketing and help to stabilize the industry.

Most of the countries of the area now have processing plants that provide powdered or evaporated and condensed milk or all three. The governments assist the plants either through direct

financing, loans, tax exemptions, or high import duties. In Costa Rica, the milk producers' cooperative sells its nonfat dry milk solids to the Ministry of Public Health for use in the grade-school lunch program.

U. S. Imports

Central America pays for its imports from the United States largely with coffee, bananas, and cacao, which are not grown in the continental United States. These three commodities accounted for 86 percent of the total imports by the United States from the six countries in 1958. Agricultural imports made up 92 percent of total imports and practically all of these were complementary products. The value of farm imports rose sharply from the \$30 million total of the prewar years to \$205 million in 1950-54. Since that time it has stabilized at about that level.

TABLE 6.--U. S. agricultural imports: Value from Central America, by commodity and by country, 1958

Country	Coffee	Bananas	Cacao	Other	Total
	<u>Mil.dol.</u>	<u>Mil.dol.</u>	<u>Mil.dol.</u>	<u>Mil.dol.</u>	<u>Mil.dol.</u>
Guatemala.....	53.3	5.4	0.3	3.0	62.0
El Salvador....	46.3	--	--	.8	47.1
Costa Rica.....	19.3	9.8	3.6	2.2	34.9
Nicaragua.....	15.2	.1	--	3.9	19.2
Honduras.....	8.8	15.2	--	1.2	25.2
Panama.....	.7	13.0	2.0	.8	16.5
Total.....	143.6	43.5	5.9	11.9	204.9

The three principal imports--coffee, bananas, cacao--are popular in the U. S. diet. The total quantity of coffee imported has gone up from 13.9 million bags prewar to a peak of 22.1 in 1949. The 1958 imports were 20.2 million bags, or 2.7 billion pounds of coffee. Not only are there more people to drink this beverage, but per capita use has risen. It went up from the prewar level of 14.0 pounds per year to 18.7 pounds in 1949, but declined somewhat, owing to the higher level of coffee prices and the introduction of instant coffee. In recent years it has been increasing again gradually. In 1959 it was estimated at 16.3 pounds. The mild coffees of Central America have found a ready market here. Coffees from certain other parts of Latin America, however, are finding increasing competition in the U. S. market from the coffees of Africa. Imports from that continent have almost doubled in the past 5 years.

Total world coffee supplies are mounting at a much faster pace than requirements. Should this trend continue, the foreign exchange earned by all coffee-growing countries may be adversely affected by price declines. The coffee countries are aware of these difficulties, however, and are working to solve them through international accord.

Banana imports too have risen--from a total of 61 million stems prewar to 71.3 million stems in 1958. Central America supplied more than 28 million stems. Although the total quantity imported from Central America is up from prewar, that area is losing its

relative position in the banana trade. Consumers in the United States are quality conscious and a rise in per capita use will depend on the availability of fruit of a dependable quality.

Central America is only a minor supplier of cacao to the U. S. market, but it does provide a quality product that can be sold readily. In 1958, it furnished less than 15 million pounds of a total import of 443 million.

Abaca, another of the complementary imports from Central America, has declined sharply in importance in recent years, and imports of essential oils from Guatemala dropped in 1958 below the level of previous years. Many areas in Central America are suited to the production of additional commodities that complement farm output in the United States. An effort to develop these possibilities might provide additional foreign exchange to purchase items needed for the economic development of the region.

Effects of Economic Integration

Desire for economic development and a bigger share of the world's good things for its people has already brought some change in Central America. Without economic integration, this change would have continued and new industries would have been added to the productive plant of the region. With economic integration, we can expect that development will be hastened, that productivity will expand over the next 20 years to provide for the ever-increasing numbers of people, and that the per capita level of living will be raised.

Industrial growth may demand more forest products and probably more fibers, a large part of which could be supplied from the resources in the region. Over the first few years, intraregional trade in agricultural products probably will continue its present pattern, but, with the coming of specialization by country, we can expect greater movement of livestock and products and processed crops, including textiles. In the early years, intraregional trade will be slowed by inadequate and high-cost transportation and lack of sufficient storage and port facilities.

Also, the early years of integration may see an intensification of import restrictions. Much of the trade between the United States and Central America, however, corresponds to natural needs and no doubt will continue. If integration results in the expected rise in standards of living, demand will go up rapidly, probably faster than the rise in farm output. The United States should be able to share in this growing market for agricultural goods.

Review of Progress

Almost continuously since the Central American Federal Republic was broken up into sovereign states in 1838, there has been discussion of union, either political or economic. However, most of the difficulties that kept the countries apart in those early years have continued in greater or lesser degree to the present time. These include few transportation links, few mutual economic interests, and strong, well-defined nationalistic sentiments. Each country, therefore, has developed its own economy based largely on the export of one, two, or three commodities to markets outside of Central America. Little productive effort has been directed to processing or industrialization.

Gradually at first, but gaining momentum as it grew, the idea developed that the republics could retain their individuality and still cooperate in economic matters which would create more wealth for all. They are coming to believe that the 10 million to 11 million people in the region may provide a large enough market to justify capital outlays for new industries.

Many agencies and organizations as well as leaders in the countries concerned have worked out plans and programs to start the integration movement. However, it was during the Fourth Meeting of the Economic Commission for Latin America (ECLA) of the United Nations that a resolution was adopted to start working toward a definite goal. The interest of the Central American countries was expressed "in the development of agricultural and industrial production and of transportation systems in their respective countries so as to promote the integration of their economies and the expansion of markets by the exchange of their products, the coordination of their development programs, and the establishment of enterprises in which all or some of these countries have an interest."

A permanent committee of ECLA, known as the Economic Cooperation Committee of the Central American Isthmus, has met regularly since 1951 to formulate policy, direct studies of special industries and countries, and make recommendations for action. The members of the committee are the Ministers of Economy of five Central American Republics. Panama attends the meetings and participates in certain portions of the plans for economic integration but it has not yet decided to become a full-fledged member of any program.

As plans progressed additional subcommittees were formed to tackle specific phases of the work. These now include among other things trade, statistics, housing, electric power, and transportation. Several institutes and organizations have been established to implement various phases of the economic integration movement. For example, the Central American Research Institute for Industry (ICAITI) located in Guatemala, began work in January 1956. It gives advice to industry and investigates the best utilization of natural resources. An advanced School of Public Administration has been operating in San José, Costa Rica since 1954 to serve the entire area. Advice and counsel has been sought and obtained from several international organizations, including the Technical Assistance Board of the United Nations, the Food and Agriculture Organization, and the Organization of American States. The Organization of Central American States (ODECA) located in El Salvador, and the International Regional Farm Sanitation Organization (OIRSA) in Nicaragua also work closely with the program.

A big step forward was taken at the fifth meeting of the Economic Cooperation Committee held in Tegucigalpa, Honduras in June of 1958. It was here that the Ministers of Economy signed for their respective governments two basic documents on which the plans for economic integration will rest: Multilateral Treaty of Free Trade and Central American Economic Integration; and Agreement on the System of Central American Industries of Integration.

The first of these establishes a free trade area or common market among the five countries for a list of products appended to the treaty. The list includes several important agricultural items such as corn, beans, and vegetable fats and oils. So far the list

covers only about one-third of intraregional trade, but the Treaty provides for gradual expansion in the list. The Treaty provided that it would become effective on the date of receipt of the third ratification by the ODECA and would be binding on countries outside this area as soon as they presented their ratifications. Three countries have now ratified the Treaty and deposited the documents with ODECA.

The second Treaty signed in June 1958 is designed to provide a framework for industrial integration, but additional protocols will be drawn up and added to the treaty for each individual case. An industry will be designated an "integration industry" on the basis of the extent to which the plants in that industry require access to the Central American market as a whole. Agreement has been reached that a paper and pulp industry to be established in Honduras will meet these criteria. Discussion is being held to determine whether to designate the tire and rubber industry of Guatemala as an integrated industry.

The economic integration committee are also planning a variety of other new industries whose products will receive the benefits of free-trade treatment within the Central American market. Some of these of interest to agriculture are cotton and textiles, vegetable oils and fats, livestock and dairy products, footwear and leather goods, and forest products. Raw materials to feed these industries as well as finished products resulting from them will move freely across the national borders.

In addition, the Central American Republics have signed an agreement on road signs and traffic regulations and all have adopted uniform tariff nomenclature. Panama, too, is cooperating. These and other accords will ease the strain of free movement of people, goods, and capital among the countries of the area.

The Sixth Conference of the Committee of Economic Cooperation met in San Jose August 26 to September 2, 1959, with a Minister from Panama attending as an observer for the first time. The principal result of this meeting was the signing of a referendum by the Committee of a Convention on Equilization of import duties and a Protocol providing for a 20-percent reduction in tariffs between the signatories.

The opening of portions of the Inter-American Highway has stimulated trade and its completion will encourage still more. Transportation is one of the big concerns of those planning the economic integration of Central America and feeder roads from the producing centers to the main highway are in the planning stage or actually being constructed. Corn and beans from Nicaragua and Honduras and vegetables from Guatemala will soon move freely into the bustling markets of El Salvador. Processed foods, textiles, and leathers from El Salvador and Costa Rica will be able to find outlets in Guatemala and Nicaragua.

Although the emphasis of integration probably will be on processing and manufacturing, economic planning for the area as a whole will result in specialization of agricultural output in those places best suited to it. Except in years of unusually bad weather, Central America's four staple foods--corn, rice, beans, sugar--as well as the principal fibers will come from its own farms.

Thus, progress is being made and the cumulative impact of the new measures will accelerate the trend. Much remains to be done,

however, to implement the measures and forge the working tools of the new economy. Success will not come easily or quickly.

In summary, then, we can say that economic integration probably will not change the direction of Central America's economy, but that it will speed up the forces already at work there and, if properly directed, hasten the achievement of higher standards of living and more efficient utilization of resources.

Statistical Appendix

TABLE 7.--Central America: Total value of exports by exporting country and area of destination, averages 1935-54, annual 1955-57

Country	Average					1955	1956	1957
	1935-39	1940-44	1945-49	1950-54				
	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.
Costa Rica total.....	9,353	10,250	22,102	66,161	80,904	67,454	83,514	43,065
To United States.....	4,127	7,451	17,192	45,117	44,281	34,009	1,624	2,630
To other Central America.....	209	215	310	1,616	1,939	1,395	1,395	3,105
To other Latin America.....	197	624	1,194	1,601	2,157	30,426	34,714	138,464
Other.....	4,820	1,960	3,406	17,827	106,931	112,731	63,288	6,371
El Salvador total.....	12,027	17,486	37,622	87,595	68,655	2,544	389	68,416
To United States.....	6,967	13,611	29,800	71,211	4,184	43	108,839	72,507
To other Central America.....	473	1,762	3,467	3,386	1,825	1,579	2,679	1,411
To other Latin America.....	66	387	821	773	491	794	32,242	63,900
Other.....	4,521	1,726	3,534	12,225	23,271	30,747	41,549	6,045
Guatemala total.....	15,401	18,198	44,308	83,147	98,700	116,291	108,839	72,507
To United States.....	9,833	16,382	39,290	67,138	73,113	83,171	72,507	2,679
To other Central America.....	90	1,614	318	1,118	1,825	1,579	2,679	1,411
To other Latin America.....	35	1,272	302	291	491	794	32,242	63,900
Other.....	5,443	1,930	4,398	14,600	23,271	30,747	41,549	6,045
Honduras total ²	9,148	9,117	37,451	49,579	46,111	67,998	63,900	41,549
To United States.....	8,126	8,094	26,287	37,551	30,943	44,409	41,549	6,045
To other Central America.....	249	795	5,352	4,279	5,442	6,641	4,883	11,423
To other Latin America.....	10	103	2,259	2,187	3,008	2,801	4,883	11,423
Other.....	763	125	3,553	5,562	6,178	14,147	11,423	11,423

Nicaragua total.....	6,306	13,321	20,674	49,888	80,022	65,077	71,208
To United States.....	3,989	12,312	15,595	25,636	30,013	24,877	27,682
To other Central America.....	235	669	1,657	2,520	1,355	881	1,351
To other Latin America.....	98	173	1,235	2,619	2,381	1,147	2,158
Other.....	1,984	167	2,187	19,113	46,273	38,172	40,017
Panama total ³	43,958	3,092	8,308	13,324	19,282	17,169	21,954
To United States.....	3,547	2,892	7,180	11,695	18,156	16,530	21,093
To other Central America.....	111	51	46	645	145	86	94
To other Latin America.....	205	72	488	579	511	207	110
Other.....	95	77	594	405	470	346	657
Grand total (excluding Panama).....	52,235	68,372	162,157	336,370	412,668	429,551	465,925
To United States.....	33,042	57,850	128,164	246,653	247,005	235,698	248,091
To other Central America.....	1,256	4,055	11,104	12,919	14,745	13,269	19,076
To other Latin America.....	406	1,559	5,811	7,471	8,498	6,180	11,946
Other.....	17,531	4,908	17,078	69,327	142,420	174,404	186,812
Grand total.....	56,193	71,078	170,465	349,694	431,950	446,720	487,879
To United States.....	36,589	60,742	135,344	258,348	265,161	252,228	269,184
To other Central America.....	1,367	4,106	11,150	13,564	14,890	13,355	19,170
To other Latin America.....	611	1,631	6,299	8,050	9,009	6,387	12,056
Other.....	17,626	4,985	17,672	69,732	142,890	174,750	187,469

¹4-year average. ²Years 1935-36 thru 1951-52 on fiscal basis. ³The country credited with being the source of exports is the country in which the Panamanian consular invoice was obtained and may or may not be the country of origin or the country of manufacture of the goods. The total trade figures are seriously deficient in that they distort the trade transactions between Panama and the Canal Zone. ⁴3-year average 1936-1938.

Trade statistics of the country concerned.
Compendio Estadística Centroamericano--Naciones Unidas.

TABLE 8.--Central America: Total value of imports, by importing country and area of origin, averages 1935-54, annual 1955-57

Country	Average				1955	1956	1957
	1935-39	1940-44	1945-49	1950-54			
	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.	1,000 U.S. dol.
Costa Rica total.....	11,389	17,770	38,753	64,794	87,469	91,226	102,785
From United States.....	5,514	12,573	29,464	40,377	52,119	49,616	56,725
From other Central America.....	372	664	1,112	1,194	1,445	1,996	1,727
From other Latin America.....	262	2,591	2,416	1,438	2,552	4,270	3,131
Other.....	5,241	1,942	5,761	21,785	31,353	35,344	41,202
El Salvador total.....	9,182	9,846	30,787	68,888	91,881	104,701	115,046
From United States.....	3,982	6,827	22,393	42,504	52,442	55,211	59,307
From other Central America.....	338	807	1,732	5,950	7,942	9,011	9,520
From other Latin America.....	269	1,066	1,787	2,303	3,156	4,530	3,830
Other.....	4,593	1,146	4,875	18,131	28,341	35,949	42,389
Guatemala total.....	14,462	16,198	50,641	78,727	104,316	137,709	147,354
From United States.....	6,448	11,037	37,026	51,530	66,880	92,705	89,306
From other Central America.....	124	687	1,501	1,246	1,578	1,592	1,852
From other Latin America.....	502	2,584	4,788	4,697	6,908	7,325	7,743
Other.....	7,388	1,890	7,326	21,254	28,950	36,087	48,453
Honduras total ³	9,673	12,043	30,551	51,422	54,275	58,622	68,693
From United States.....	6,071	8,803	23,810	37,375	35,927	39,590	43,934
From other Central America.....	419	1,241	1,935	2,280	2,375	1,545	2,708
From other Latin America.....	115	1,148	1,954	1,661	1,704	1,814	894
Other.....	3,068	851	2,852	10,106	14,269	15,673	21,157

Nicaragua total.....	5,552	9,589	18,805	39,247	69,646	68,814	80,914
From United States.....	3,115	7,221	15,039	27,248	45,396	43,158	47,062
From other Central America.....	165	582	619	1,787	3,583	3,120	4,507
From other Latin America.....	212	1,055	1,211	967	1,473	1,976	1,904
Other.....	2,060	731	1,936	9,245	19,194	20,560	27,441
Panama total.....	18,914	34,331	60,667	70,180	75,685	83,120	99,005
From United States.....	10,363	24,536	44,337	45,652	45,373	49,950	58,483
From other Central America.....	120	815	1,548	942	1,062	836	913
From other Latin America.....	530	5,044	6,433	3,496	1,679	2,425	2,363
Other.....	7,901	3,936	8,349	20,090	27,571	29,909	37,246
Grand total (excluding Panama).....	50,258	65,446	169,537	303,078	407,587	461,072	514,792
From United States.....	25,130	46,461	127,732	199,034	252,764	280,280	296,334
From other Central America.....	1,418	3,981	6,899	12,457	16,923	17,264	20,314
From other Latin America.....	1,360	8,444	12,156	11,066	15,793	19,915	17,502
Other.....	22,350	6,560	22,750	80,521	122,107	143,613	180,642
Grand total.....	69,172	99,777	230,204	373,258	483,272	544,192	613,797
From United States.....	35,493	70,997	173,069	244,686	298,137	330,230	354,817
From other Central America.....	1,538	4,796	8,447	13,399	17,985	18,100	21,227
From other Latin America.....	1,890	13,488	18,589	14,562	17,472	22,340	19,856
Other.....	30,251	10,496	31,099	100,611	149,678	173,522	217,888

¹14-year average. ²Excludes 2,332,000 quetzales, value of donated corn from United States, but does include freight, insurance, etc., of 579,980 quetzales. ³Years 1935-36 through 1951-52 on a fiscal basis.

Trade statistics of the country concerned.
Compendio Estadística Centroamericano--Nações Unidas.

TABLE 9.--El Salvador: Trade in principal agricultural products, averages 1935-54, annual 1955-58

Period or year	Exports			Imports	
	Coffee	Cotton ¹	Cottonseed oil	Wheat flour	Wheat
Average:	<u>1,000</u> <u>bags²</u>	<u>1,000</u> <u>bales³</u>	<u>Short</u> <u>tons</u>	<u>Long</u> <u>tons</u>	<u>1,000</u> <u>bushels</u>
1935-39.....	922	(³)	(⁴)	2,161	232
1940-44.....	903	3	(⁵)	4,086	116
1945-49.....	1,011	8	(⁵)	7,258	86
1950-54.....	1,101	31	709	14,316	86
Annual:					
1955.....	1,197	140	1,319	19,107	148
1956.....	1,075	96	1,798	19,928	122
1957.....	1,399	127	1,490	20,405	149
1958 ⁶	1,450	⁷ 225	--	--	--

¹Year beginning Aug. 1. ²132.276-pound bags. ³500-pound bales. ⁴Insignificant. ⁵Comparable data not available. ⁶Preliminary. ⁷Forecast.

Anuario Estadístico, Economía Salvadoreña and Foreign Agricultural Service.

TABLE 10.--Guatemala: Trade in principal agricultural products, averages 1935-54, annual 1955-58

Period or year	Exports				Imports		
	Coffee	Bananas	Cotton ¹	Wheat flour	Wheat	Lard	Milk Products
Average:	1,000 bags ²	1,000 bunches ³	1,000 bales ⁴	Long tons	1,000 bushels	1,000 pounds	1,000 pounds
1935-39.....	759	8,404	--	9,213	(⁵)	6503	(⁷)
1940-44.....	788	5,452	--	8,898	(⁵)	207	(⁷)
1945-49.....	1,903	10,429	--	15,560	(⁵)	1,453	1,680
1950-54.....	919	5,874	822	22,436	118	8,091	63,554
Annual:							
1955.....	971	5,011	32	30,033	293	13,089	7,586
1956.....	1,026	8,212	34	18,501	625	12,873	5,108
1957.....	1,060	5,721	37	17,578	930	11,157	5,620
1958 ⁹	1,087	(⁷)	1055	19,108	1,178	12,150	(⁷)

¹Year beginning Aug. 1. ²132.276-pound bags. ³50-pound bunches. ⁴500-pound bales. ⁵Insignificant.

⁶4-year average. ⁷Not available. ⁸2-year average. ⁹Preliminary. ¹⁰Forecast.

Anuario de Comercio Exterior, Guatemala, and Foreign Agricultural Service.

TABLE 11.--Honduras: Trade in principal agricultural products, averages 1935-54, annual 1955-58

Period or year	Exports		Imports			
	Bananas	Coffee	Milk		Wheat flour	Wheat
			Condensed and evaporated	Powdered		
Average:	1,000 bunches ¹	1,000 bags ²	1,000 pounds	1,000 pounds	long tons	1,000 short tons
1935-39.....	11,723	438	4,5307	4,588	4,61,205	4,6165
1940-44.....	10,095	428	4,6202	4,6108	4,1,477	4,175
1945-49.....	14,242	451	4,5218	4,5547	4,53,850	4,5143
1950-54.....	13,946	142	4,6418	4,61,131	4,65,726	4,6225
Annual:						
1955.....	10,929	149	699	1,819	9,236	296
1956.....	17,823	198	1,001	862	7,700	253
1957.....	13,560	174	(7)	(7)	8,983	242
1958 ⁸	13,500	249	(7)	(7)	(7)	(7)

¹50-pound bunches. ²132.276-pound bags. ³Partly crop years. ⁴12 months ending June 30 of year shown. ⁵3-year average. ⁶4-year average. ⁷Not available. ⁸Preliminary.

Secretaría de Hacienda, Crédito Público y Comercio and Anuario Estadístico, Honduras, and Foreign Agricultural Service.

TABLE 12.--Nicaragua: Trade in principal agricultural products,
averages 1935-54, annual 1955-58

Period or year	Exports				Imports		
	Coffee	Bananas	Sugar ¹	Sesame	Cotton ²	Wheat flour	Lard
Average:	1,000 bags ³	1,000 bunches ⁴	Short tons	Short tons	1,000 bales ⁵	Long tons	1,000 pounds
1935-39.....	264	1,982	3,528	483	4	3,764	--
1940-44.....	219	397	63,530	2,086	4	5,898	--
1945-49.....	185	329	2,162	9,604	4	6,467	7322
1950-54.....	306	443	9,689	11,399	62	9,098	520
Annual:							
1955.....	379	423	10,265	5,529	239	16,552	82,837
1956.....	283	192	8,729	3,850	150	13,820	1,680
1957.....	367	105	9,999	4,393	146	14,944	
1958.....	382	92	17,965	7,008	9300	16,788	344

¹Centrifugal, raw value. ²Year beginning Aug. 1. ³132,276-pound bags. ⁴50-pound bunches. ⁵500-pound
bales. ⁶2-year average. ⁷Year 1949 only. ⁸Not separately classified, includes substitutes similar to lard.
⁹Forecast.

Memoria de la Recaudación General de Aduanas--Nicaragua, and Foreign Agricultural Service.

TABLE 13.--Costa Rica: Trade in principal agricultural products, averages 1935-54, annual 1955-58

Period or year	Exports			Imports		
	Coffee	Bananas	Cacao beans	Wheat flour	Wheat	Lard
Average:	<u>1,000</u> <u>bags</u> ¹	<u>1,000</u> <u>bunches</u> ²	<u>1,000</u> <u>pounds</u>	<u>Long</u> <u>tons</u>	<u>1,000</u> <u>bushels</u> (³)	<u>Million</u> <u>pounds</u>
1935-39.....	391	4,569	14,356	8,567		2.0
1940-44.....	346	3,732	11,416	10,774	⁴ 64	3.0
1945-49.....	320	10,278	7,382	14,254	92	3.0
1950-54.....	368	15,734	11,535	20,064	184	8.0
Annual:						
1955.....	472	14,522	21,375	24,813	226	10.0
1956.....	380	10,247	13,773	25,243	198	10.0
1957.....	491	13,681	16,332	24,435	292	11.0
1958 ⁵	769	11,994	16,940	26,499	151	10.0

¹132.276-pound bags. ²50-pound bunches. ³Insignificant.

⁴2-year average. ⁵Preliminary.

Anuario Estadístico, Comercio Exterior--Costa Rica, and Foreign Agricultural Service.

TABLE 14.--Panama: Trade in principal agricultural products, averages 1935-54, annual 1955-58

Period or year	Exports		Imports	
	Bananas	Cacao beans	Wheat flour	Lard
Average:	<u>1,000</u> <u>bunches</u> ¹	<u>1,000</u> <u>pounds</u>	<u>Long</u> <u>tons</u>	<u>Million</u> <u>pounds</u>
1935-39.....	8,173	9,229	8,766	1.0
1940-44.....	4,408	6,089	11,470	² 3.0
1945-49.....	7,135	4,637	² 11,157	³ 2.0
1950-54.....	8,002	4,810	14,006	7.0
Annual:				
1955.....	12,130	3,088	16,418	5.0
1956.....	11,062	2,564	15,834	5.0
1957.....	12,831	3,380	--	⁴ 5.0
1958.....	--	--	--	⁴ 7.0

¹50-pound bunches. ²24-year average. ³3-year average.

⁴Exports from United States.

Estadística Panameña and Foreign Agricultural Service.

TABLE 15.--Central America: Production of principal agricultural crops by country, averages 1935-39, 1950-54 and 1958

Country and Commodity	Unit	1935-39	1950-54	1958
Costa Rica:				
Corn.....	1,000 bu.	1,457	2,441	2,730
Rice.....	mil. lb.	37	85	125
Beans.....	1,000 bags	220	247	350
Sugar, centrifugal....	1,000 s.t.	9	33	44
Sugar, noncentrifugal.	1,000 s.t.	15	32	28
Bananas.....	1,000 bunches	4,569	15,734	14,000
Coffee.....	1,000 bags	390	439	910
Beef, carcass weight..	mil. lb.	33	55	86
Milk.....	mil. lb.	44	260	320
El Salvador:				
Corn.....	1,000 bu.	8,000	8,780	6,340
Rice.....	mil. lb.	36	63	60
Beans.....	1,000 bags	419	670	520
Sugar, centrifugal....	1,000 s.t.	17	35	59
Sugar, noncentrifugal.	1,000 s.t.	17	22	30
Coffee.....	1,000 bags	1,091	1,216	500
Cotton.....	1,000 bales	5	53	177
Henequen.....	mil. lb.	7	6	6
Guatemala:				
Corn.....	1,000 bu.	15,700	17,000	17,500
Rice.....	mil. lb.	12	22	26
Beans.....	1,000 bags	595	540	659
Sugar, centrifugal....	1,000 s.t.	18	43	75
Sugar, noncentrifugal.	1,000 s.t.	31	43	45
Bananas.....	1,000 bunches	8,405	7,091	6,500
Coffee.....	1,000 bags	1,002	1,129	1,345
Cotton.....	1,000 bales	2	19	60
Beef, carcass weight..	mil. lb.	49	60	66
Milk.....	mil. lb.	93	174	269
Honduras:				
Corn.....	1,000 bu.	3,717	8,325	10,080
Rice.....	mil. lb.	12	25	32
Beans.....	1,000 bags	287	441	608
Sugar, centrifugal....	1,000 s.t.	2	7	19
Sugar, noncentrifugal.	1,000 s.t.	8	14	18
Bananas.....	1,000 bunches	11,723	14,733	19,180
Coffee.....	1,000 bags	57	212	400
Beef, carcass weight..	mil. lb.	26	30	35
Milk.....	mil. lb.	150	237	260
Cotton.....	1,000 bales	0	(¹)	16
Nicaragua:				
Corn.....	1,000 bu.	1,500	3,976	4,725
Rice.....	mil. lb.	27	86	70
Beans.....	1,000 bags	110	507	750

¹Negligible.

TABLE 15.--Central America: Production of principal
agricultural crops by country, averages
1935-39, 1950-54 and 1958--Continued

Country and Commodity	Unit	1935-39	1950-54	1958
Nicaragua--Continued:				
Sugar, centrifugal....	1,000 s.t.	9	37	75
Sugar, noncentrifugal.	1,000 s.t.	7	23	25
Coffee.....	1,000 bags	280	362	360
Cotton.....	1,000 bales	5	87	218
Beef, carcass weight..	mil. lb.	31	46	45
Milk.....	mil. lb.	165	254	420
Panama:				
Corn.....	1,000 bu.	1,181	2,661	3,110
Rice.....	mil. lb.	50	209	262
Sugar, centrifugal....	1,000 s.t.	5	19	28
Sugar, noncentrifugal.	1,000 s.t.	2	11	10
Bananas.....	1,000 bunches	8,173	7,792	13,000
Cacao.....	1,000 lb.	10,418	3,129	4,500
Beef, carcass weight..	mil. lb.	18	30	42
Milk.....	mil. lb.	55	66	110

TABLE 16.--U. S. exports to Central America: Total and agricultural by country of destination, averages 1935-54, annual 1955-58

Country	Average								1955		1956		1957		1958	
	1935-39		1940-44		1945-49		1950-54		Total	Agricultural	Total	Agricultural	Total	Agricultural	Total	Agricultural
	Mil. dol.	Agri-cul-tural	Mil. dol.	Agri-cul-tural	Mil. dol.	Agri-cul-tural	Mil. dol.	Agri-cul-tural								
Costa Rica.....	5.0	0.9	10.8	1.6	25.7	4.0	33.9	4.8	43.1	6.5	41.6	6.8	48.1	5.5	41.7	5.0
El Salvador.....	3.4	.4	5.9	.6	20.4	1.7	37.8	4.5	46.8	8.6	49.3	5.7	49.9	5.7	44.2	5.3
Guatemala.....	6.2	.9	9.9	1.0	33.6	3.9	44.3	6.4	56.4	11.4	79.2	9.4	81.0	9.1	78.5	9.5
Honduras.....	5.6	.6	7.4	.6	24.0	1.9	33.6	3.0	33.8	5.2	38.0	3.8	41.5	4.1	35.6	4.0
Nicaragua.....	3.0	.4	6.6	.7	14.8	1.5	25.4	1.9	38.6	3.9	32.4	3.3	39.0	3.7	37.3	3.8
Total	23.2	3.2	40.6	4.5	118.5	13.0	175.0	20.6	218.7	35.6	240.5	29.0	259.5	28.1	237.3	27.6
5 Countries.....																
Panama.....	18.2	3.9	23.0	4.1	92.4	7.4	82.9	8.7	75.7	7.9	67.4	8.9	84.2	12.4	83.6	10.1
Total	41.4	7.1	63.6	8.6	210.9	20.4	257.9	29.3	294.4	43.5	307.9	37.9	343.7	40.5	320.9	37.7
6 Countries.....																

